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# State of Utah Department of Commerce

Division of Securities

FRANCINE A. GIANI  
Executive Director

THAD LEVAR  
Deputy Director

WAYNE KLEIN  
Director of Securities

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NEWS RELEASE

## **Vitamin Seller Gets a Taste of Own Medicine in Sentencing** ***Promoter of Promissory Notes Sentenced to Probation...***

**SALT LAKE CITY, UT** - A Third District Judge ordered probation today for a Salt Lake County man for his involvement in a failed investment scheme. Johnny Anthony Sanchez pleaded guilty to two counts of third-degree felony Securities Fraud charges on March 10, 2008. Charges were filed by the Utah Attorney General's office based on findings by the Utah Division of Securities.

District Court Judge William W. Barrett sentenced Sanchez to two indeterminate prison terms of 0-5 years to run consecutively. Both terms were suspended, and Sanchez was ordered to serve 36 months of probation, 1000 hours of community service to be completed by September 24, 2009, and \$1,000 in monthly restitution payments to the Attorney General's office. Sanchez must also report all financial information to the Attorney General's office every 90 days. Sanchez owes approximately \$230,000 in restitution.

Sanchez offered investment opportunities to family members and friends. Sanchez told investors he would use investment funds to either expand his business, Nutrateg, LLC, which produced and sold dietary supplements, or to take Nutrateg public. Sanchez used some of the investment funds for personal expenses.

The Division alleged Sanchez sold promissory notes to investors in return for funds. The promissory notes offered an interest rate of 14-18% per annum. Sanchez told investors there was no risk involved with the investments. Sanchez failed to disclose that at least one prior investor had lost money in a related deal, and that Sanchez filed for bankruptcy. Sanchez even accepted investment funds from two investors after filing the bankruptcy.

This case was prosecuted by Assistant Attorney General Neal Gunnarson and investigated by Jeff Nielsen of the Utah Division of Securities.